

July 26, 2002

**NOTICE OF SIGNIFICANT ADDITIONAL MATERIAL RELIED UPON  
IN PROPOSED DETERMINATION OF A REVENUE REQUIREMENT  
(California Code of Regulations Title 23 Section 513)**

The California Department of Water Resources ("the Department" or "DWR") has received comments during the public review of its proposed determination of revenue requirements. Based on these comments and further analysis, the Department is examining potential adjustments in the proposed determination. The Department is also supplying supplementary information that supports the Department's June 14, 2002 draft determination of revenue requirements. This supplemental information consists of the following:

- the transcript of the interim loan obtained by the Department on June 26, 2001 to provide funding for the purchase of net short energy to end the need to continue relying upon advances from the State General Fund as provided for by Assembly Bill 1X, and
- a CD containing a detailed computer model used prior to June 2001 by the Department and its advisors and consultants in evaluating alternative combinations of long-term contract proposals and estimating the residual net short energy needs and average cost of energy associated with different combinations of contracts. This model was a precursor tool to the PROSYM model used by Navigant Consulting, Inc. for the Department's determination of revenue requirements.

The model described above contains detailed load profile information which California investor owned utilities have indicated is confidential. In addition, the model information includes pricing and volume information from prospective energy suppliers prior to contracts becoming final, and in other cases for proposals which were never accepted or converted into contracts and were submitted to the Department in confidence as bids. A brief description of the model is included with this notice, along with a summary form of output of the model.

A copy of this notice will be provided via U.S. Mail and electronic mail to every person who has filed a request for notice. This notice as well as the transcript of the interim loan and description of the model will also be posted on the Department's web site ([www.water.ca.gov](http://www.water.ca.gov)). The supplemental information shall also be available for review at the California Energy Resources Scheduling Division (CERS) of DWR, which is located at 3310 El Camino Avenue in Sacramento, California. Those parties who have signed a non-disclosure agreement with DWR will be granted access to this model and will receive a copy of the CD containing the model upon request.

Pursuant to California Code of Regulations Title 23, Section 513(b), the Department is extending the comment period until August 5, 2002 for interested persons to submit comments on the proposed determination of revenue requirements and supplemental material upon which the Department intends to rely in making its determination. To be considered comments must be received at either of the following addresses by 5:00 P.M. on August 5, 2002:

Mailing address: Department of Water Resources  
California Energy Resources Scheduling Division  
3310 El Camino Avenue, Suite 120  
Sacramento, CA 95821-9001  
Attention: Mr. Richard Grix

E-mail address: [cersforum@water.ca.gov](mailto:cersforum@water.ca.gov)

Comments must also satisfy the following requirements, as specified in section 515 of title 23 of the California Code of Regulations:

- A comment must be in typewritten form and must be clear and permanently legible.
- A comment must identify the determination that is the subject of the comment by referencing the deadline for submitting comments. The deadline for submitting comments in response to this notice is August 5, 2002.
- A comment must be signed. Comments submitted on behalf of a business or organization must be signed by a person authorized to comment on behalf of the business or organization, must include the name and title of the signatory, the date of signing, the signatory's business address, and the signatory's business telephone number. Comments submitted through electronic-mail will be considered by DWR only if an original, signed copy of the comment is received by DWR within three working days after the receipt of the electronic-mail comment.
- A signature on submitted testimony certifies that the signer has read the document and knows its contents; that to the signer's best knowledge, information, and belief, formed after diligent inquiry, the facts are true as stated; that any legal contentions are warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law; that the testimony is not tendered for any improper purpose; and that the signer has full power and authority to sign the document.
- No documents or records submitted as testimony which purport to be statements of fact shall be considered by DWR unless the documents or records have been certified under penalty of perjury by the person preparing or in charge of preparing them as being true and correct.

**New Material Relied Upon/Revised Proposed Determination.** If DWR identifies significant material it intends to rely on in making its determination, which was not identified in the proposed determination or if DWR revises the proposed determination DWR will provide notice of such additional material or notice of proposed revised determination to the public and provide an opportunity for comment on the additional material.

**Issuance of Determination/Requests for Reconsideration.** After considering comments timely received and otherwise in conformance with the requirements of section 515 of title 23 of the California Code of Regulations DWR will issue a determination on the record by posting the determination on its website and mailing or electronically mailing a notice of posting as required by section 516(a) of title 23 of the California Code of Regulations. DWR will consider any request for reconsideration which is submitted within 3 working days of the posting of the determination on the DWR website only if the request satisfies the requirements of section 515 of title 23 of the California Code of Regulations, which are summarized above.

**Final Determination.** A determination is final if DWR does not revise the determination either as a result of reconsideration, or in response to comment after reconsideration and revision.